

RESULTS  
STATE OIL AND GAS BOARD OF ALABAMA  
BOARD MEETING  
FEBRUARY 9 & 11, 2010

1. DOCKET NO. 6-16-08-16B

Continued amended petition by BENJAMIN V. COODY, d/b/a Pete's Pumping Service, requesting the State Oil and Gas Board to enter an order force pooling, without the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Eula Jones #1 Well, Permit No. 1288, located on a 40-acre unit consisting of the Northeast Quarter of the Southwest Quarter of Section 2, Township 10 North, Range 3 West, Choctaw County, Alabama, in the Gilberttown Oil Field.

This Petition is in accordance with Section 9-17-13, Code of Alabama (1975), as amended, and Rule 400-7-2-.01 of the State Oil and Gas Board of Alabama Administrative Code.

The public is further advised that, pursuant to this hearing, the applicable provision of the Code of Alabama (1975), and the State Oil and Gas Board of Alabama Administrative Code, the Board will enter such Order or Orders as in its judgment may be necessary in accordance with the evidence submitted and accepted.

**BOARD ACTION:** Continued 2-11-10.

2. DOCKET NO. 3-24-09-01

Continued petition by DURANGO OPERATING, LLC, a Mississippi limited liability company, authorized to do business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status for the following wells all located in the Foshee Field, Escambia County, Alabama, for a period of one (1) year:

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
5213	A.T.I.C. 34-9 #1	Section 34, T2N-R8E
5335	Culpepper 34-7 #1	Section 34, T2N-R8E
5167	A.T.I.C. 35-13 #2	Section 35, T2N-R8E
5062	A.T.I.C. 35-14 #1	Section 35, T2N-R8E

Said wells are temporarily abandoned. Petitioner is requesting the Board to classify said wells as temporarily abandoned for a period of one (1) year in accordance with Rule 400-1-4-.17 of the State Oil and Gas Board of Alabama Administrative Code because all of the wells have future utility in Durango Operating, LLC's operations in Foshee Field, Escambia County, Alabama and should not be plugged.

**BOARD ACTION:** Continued 2-11-10 with the stipulation that the temporarily abandoned status for the wells be extended to the next regularly scheduled meeting of the Board.

3. DOCKET NO. 3-24-09-02

Continued petition by DURANGO OPERATING, LLC, a Mississippi limited liability company, authorized to do business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status for the Cedar Creek Land and Timber Co. 12-9 #1, Permit # 8685, located in Section 12, Township 1 North, Range 8 East in Osaka Field, Escambia County, Alabama, for a period of one (1) year:

Said well is temporarily abandoned. Petitioner is requesting the Board to classify said well as temporarily abandoned for a period of one (1) year in accordance with Rule 400-1-4-.17 of the State Oil and Gas Board of Alabama Administrative Code because said well has future utility in Durango Operating, LLC's operations in Osaka Field, Escambia County, Alabama and should not be plugged.

**BOARD ACTION:** Continued 2-11-10 with the stipulation that the temporarily abandoned status for the well be extended to the next regularly scheduled meeting of the Board.

4. DOCKET NO. 3-24-09-03

Continued petition by DURANGO OPERATING, LLC, a Mississippi limited liability company, authorized to do business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status for the R. E. Loper et al 12-11 #1, Permit # 2885, located in Section 12, Township 1 North, Range 8 East in Pollard Field, Escambia County, Alabama, for a period of one (1) year:

Said well is temporarily abandoned. Petitioner is requesting the Board to classify said well as temporarily abandoned for a period of one (1) year in accordance with Rule 400-1-4-.17 of the State Oil and Gas Board of Alabama Administrative Code because said well has future utility in Durango Operating, LLC's operations in Pollard Field, Escambia County, Alabama and should not be plugged.

**BOARD ACTION:** Continued 2-11-10 with the stipulation that the temporarily abandoned status for the well be extended to the next regularly scheduled meeting of the Board.

5. DOCKET NO. 3-24-09-04

Continued petition by DURANGO OPERATING, LLC, a Mississippi limited liability company, authorized to do business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status for the following wells all located in West Foshee Field, Escambia County, Alabama, for a period of one (1) year:

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
5475	A.T.I.C. 33-7 #3	Section 33, T2N-R8E
5359	A.T.I.C. 33-8 #1	Section 33, T2N-R8E
5528	A.T.I.C. Container 33-3 #1	Section 33, T2N-R8E

Said wells are temporarily abandoned. Petitioner is requesting the Board to classify said wells as temporarily abandoned for a period of one (1) year in accordance with Rule 400-1-4-.17 of the State Oil and Gas Board of Alabama Administrative Code because all of the wells have future utility in Durango Operating, LLC's operations in West Foshee Field, Escambia County, Alabama and should not be plugged.

**BOARD ACTION:** Continued 2-11-10 with the stipulation that the temporarily abandoned status for the wells be extended to the next regularly scheduled meeting of the Board.

6. DOCKET NO. 3-24-09-10A

Continued amended petition by PALMER PETROLEUM, INC., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order force pooling, with a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Smackover Formation in Petitioner's proposed Grantham-Bass 14-10 No. 1 Well to be drilled on a 160-acre wildcat unit consisting of the Southeast Quarter of Section 14, Township 4 North, Range 14 East, Covington County, Alabama.

This Petition is in accordance with Section 9-17-13, Code of Alabama (1975), as amended, and Rule 400-7-2-.01 of the State Oil and Gas Board of Alabama Administrative Code.

**BOARD ACTION:** Continued 2-11-10.

7. DOCKET NO. 7-23-09-05

Continued petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status of the Roy J. Smith et al 6-10 #1A Well, Permit No. 2355-B, located in the Chunchula Unit in Section 6, Township 1 South, Range 1 West, Mobile County, Alabama, for one year, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code because said well has future utility and should not be plugged.

**BOARD ACTION:** Dismissed 2-11-10.

ORDER NO. 2010-1

8. DOCKET NO. 7-23-09-06B

Continued amended petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status of the Winters 19-4 #1 Well, Permit No. 4765-A-1, located on a 320-acre drilling unit in the Coal Fire Creek Field consisting of the North Half of Section 19, Township 18 South, Range 14 West, Pickens County, Alabama, for one year, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code because said well has future utility and should not be plugged.

**BOARD ACTION:** Continued 2-11-10 with the stipulation that the temporarily abandoned status for the well be extended to the next regularly scheduled meeting of the Board.

9. DOCKET NO. 7-23-09-07

Continued petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status of the R.J. Newman et al 21-11 #1 Well, Permit No. 4412-A, located in the Turnerville Field on a 160-acre drilling unit consisting of the Southwest Quarter of Section 21, Township 1 South, Range 1 West, Mobile County, Alabama, for one year, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code because said well has future utility and should not be plugged.

**BOARD ACTION:** Dismissed 2-11-10.

ORDER NO. 2010-2

10. DOCKET NO. 9-8-09-02

Continued petition by BLACK WARRIOR METHANE CORP., an Alabama corporation, requesting the State Oil and Gas Board to enter an order force pooling, without the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced in the Westervelt 17-08-572 Well to be drilled on a 40-acre unit consisting of the Southeast Quarter of the Northeast Quarter of Section 17, Township 20 South, Range 8 West, Tuscaloosa County, Alabama, in the Brookwood Coal Degasification Field.

This Petition is in accordance with Section 9-17-13, Code of Alabama (1975), as amended, and Rule 400-7-2-.01 of the State Oil and Gas Board of Alabama Administrative Code.

**BOARD ACTION:** Granted 2-11-10.

ORDER NO. 2010-3

11. DOCKET NO. 9-8-09-05A

Continued amended petition by HIGHMOUNT BLACK WARRIOR BASIN LLC, a foreign limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board, pursuant to Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code, to enter an order extending the temporarily abandoned status for the following wells located in St. Clair County, Alabama, in the Big Canoe Creek Field, for a period of one (1) year:

<u>WELL NAME</u>	<u>PERMIT NO.</u>	<u>LOCATION</u>
Bjornson 32-16-07	14620	S32-T13S-R5E
Sloss, et al 35-13-09	14621	S35-T13S-R4E
West 35-08-05	15268	S35-T13S-R4E.

Petitioner requests that the Board grant a one year extension of the temporarily abandoned status of the referenced wells because said wells have future utility and should not be plugged.

**BOARD ACTION:** Continued 2-11-10 with the stipulation that the temporarily abandoned status for the wells be extended to the next regularly scheduled meeting of the Board.

12. DOCKET NO. 9-8-09-07

Continued petition by ESCAMBIA OPERATING CO., LLC, a foreign limited liability company, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status for the Powell Gas Unit 19-4 #1 Well, Permit No. 2991, located on a 640-acre unit consisting of Section 19, Township 1 North, Range 9 East, Escambia County, Alabama, in the Flomaton Field, for a period of one (1) year, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code.

Petitioner has previously been granted temporarily abandoned status for the referenced well and requests that the Board grant a one year extension of such status because said well has future utility and should not be plugged.

**BOARD ACTION:** Continued 2-11-10 with the stipulation that the temporarily abandoned status for the well be extended to the next regularly scheduled meeting of the Board.

13. DOCKET NO. 9-25-09-01

Continued petition by EL PASO E&P COMPANY, L.P., a Delaware limited partnership, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order pursuant to Section 9-17-1 through 9-17-33 and 9-17-80 through 9-17-88, Code of Alabama (1975) establishing a partial field-wide Unit, to be known as Unit I of the Blue Creek Coal Degasification Field, Tuscaloosa County, Alabama. The Board in Order No. 2009-67 dated September 10, 2009, approved a plan of unitization for Unit I of the Blue Creek Coal Degasification Field for the purpose of initiating injection of carbon dioxide into coal seams for the purpose of conducting experimental procedures to (1) examine the effect of injected carbon dioxide on coalbed methane gas; (2) determine the ability of coal seams to adsorb the carbon dioxide; and (3) consider the possibilities of enhanced coalbed methane gas recovery and permanent storage of carbon dioxide in coal seams. These experimental procedures are to be conducted as a field test of geologic carbon storage and enhanced resource recovery that is sponsored by the U. S. Department of Energy through the Southeastern Regional Carbon Sequestration Partnership. The proposed Unit shall consist of the hereinafter described "Unit Area" in said field, and shall require the operation of said Unit Area as a single Unit for enhanced recovery in order to avoid the drilling of unnecessary wells, increase the efficiency of operations and improve the ultimate recovery of occluded natural gas from the Unitized Formation, as hereinafter defined, and avoid waste. The "Unitized Formation" is to be designated as the Pottsville Coal Interval and is defined as the productive coal seams found between the depths of 368 feet and 3,790 feet below ground surface of the CLC 10-08-51 Well, Permit No. 12778-C, located 621 feet FEL and 1,457 feet FNL of Section 10, Township 19 South, Range 9 West, Tuscaloosa County, Alabama, as indicated on the electric log and core from said well, and all zones in communication therewith and all productive extensions thereof.

Petitioner further seeks approval of the ratification of the Unit Agreement, in accordance with Section 9-17-84, Code of Alabama (1975), and approval of the amendments to the Special Field Rules for the Blue Creek Coal Degasification Field, Tuscaloosa and Fayette Counties, Alabama, in order to conform to the provisions of the aforementioned Unit Agreement and Unit Operating Agreement.

Petition further seeks entry of an order unitizing, pooling and integrating the Unit Area, as underlain by the above defined unitized formation so as to require all owners or claimants of royalty, overriding royalty, mineral and leasehold interests within the Unit Area to unitize, pool and integrate their interests and develop their lands or interests as a Unit, and designating El Paso E&P Company, L.P. as operator of the Unit Area in accordance with the laws of Alabama. The proposed Unit Area, to be designated Unit I of the Blue Creek Coal Degasification Field, consisting of 80 acres, more or less, as described as follows:

The following lands lying and being in Tuscaloosa County, Alabama in the Blue Creek Coal Degasification Field:

Section 17, Township 18 South, Range 9 West  
North Half of the Southeast Quarter

**BOARD ACTION:** Dismissed 2-11-10.  
ORDER NO. 2010-4

14. DOCKET NO. 10-27-09-02

Continued petition by STETSON PETROLEUM CORP., a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an order extending the temporarily abandoned status of the Scott Paper Co. 25-14 No. 1 Well, Permit No. 6303, located on a 160-acre unit consisting of the West Half of the Southeast Quarter and the East Half of the Southwest Quarter of Section 25, Township 4 North, Range 7 East, Conecuh County, Alabama in the Northeast Barnett Field, for one year, in accordance with Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code. Said Well has future utility to the operations of Stetson Petroleum Corp. and should not be plugged.

**BOARD ACTION:** Continued 2-11-10 with the stipulation that the temporarily abandoned status for the well be extended to the next regularly scheduled meeting of the Board.

15. DOCKET NO. 10-27-09-08

Continued petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order approving a 320-acre drilling unit for Petitioner's proposed Benton 25-1 No. 1 Well consisting of the Northeast Quarter of Section 25, Township 15 South, Range 15 West and the Northwest Quarter of Section 30, Township 15 South, Range 14 West, Lamar County, Alabama, as a productive extension of the Hells Creek Field, as an exception to Rule 3(a) of the Special Field Rules for said Field which states that a well shall be drilled on a drilling unit consisting of a governmental half section. The proposed Benton 25-1 No. 1 Well is located in the Northeast Quarter of said Section 25. The Northeast Quarter of said Section 25 is within the Hells Creek Field and the Northwest Quarter of said Section 30 is adjacent to the Hells Creek Field.

This petition is filed as a companion to a petition bearing Docket No. 10-27-09-09 requesting the forced pooling, with imposition of the risk compensation fee, of all tracts and interests in hydrocarbons produced from the Carter Sand in the referenced well.

**BOARD ACTION:** Continued 2-11-10.

16. DOCKET NO. 12-8-09-04A

Continued amended petition by MIDROC OPERATING COMPANY, a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order force pooling, without the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced from the Smackover Formation in Petitioner's proposed Sanders 23-16 Well to be drilled on a 160-acre drilling unit consisting of the South Half of the Southeast Quarter of Section 23 and the North Half of the Northeast Quarter of Section 26, all in Township 4 North, Range 12 East, Conecuh County, Alabama, as a productive extension of the Little Cedar Creek Field.

This Petition is in accordance with Section 9-17-13, Code of Alabama (1975), as amended, and Rule 400-7-2-.01 of the State Oil and Gas Board of Alabama Administrative Code.

This petition is filed as a companion to a petition bearing Docket No. 12-8-09-05 requesting the Board to enter an order approving the hereinabove described 160-acre drilling unit for the Sanders 23-16 Well as a productive extension of the Little Cedar Creek Field.

**BOARD ACTION:** Dismissed 2-11-10.  
ORDER NO. 2010-5

17. DOCKET NO. 12-8-09-05

Continued petition by MIDROC OPERATING COMPANY, a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving a 160-acre drilling unit for the Sanders 23-16 Well consisting of the South Half of the Southeast Quarter of Section 23 and the North Half of the Northeast Quarter of Section 26, all in Township 4 North, Range 12 East, Conecuh County, Alabama, as a productive extension of the Little Cedar Creek Field, in accordance with Rule 3(a) of the Special Field Rules for said Field which provides that a well may be drilled on a drilling unit designated by the operator in the permit application and subject to the approval of the Oil and Gas Supervisor, which shall contain approximately 160 contiguous acres upon which no other drilling or producible well is located in the Smackover Oil Pool.

This petition is filed as a companion to a petition bearing Docket No. 12-8-09-04 requesting the forced pooling, without imposition of the risk compensation fee, of all tracts and interests in hydrocarbons produced from the Smackover Formation in the referenced well.

**BOARD ACTION:** Dismissed 2-11-10.  
ORDER NO. 2010-6

18. DOCKET NO. 12-8-09-07A

Continued amended petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting that the State Oil and Gas Board of Alabama enter an order (a) force pooling without risk compensation all tracts and interests in the Southwest Quarter of Section 21, Township 1 South, Range 1 West, Mobile County, Alabama, for the purpose of re-entering the R.J. Newman 21-11 No. 1 well (Permit No. 4412-A), Turnerville Field, to test the Smackover and Norphlet formations, (b) requiring all owners of tracts and interests in said unit (both present and future) to develop their tracts and interests as a unit, and (c) appointing Petitioner as the operator of said unit. This petition is filed pursuant to Ala. Code Sections 9-17-1, et seq. (and, in particular, Section 9-17-13, as amended) and Rules 400-1, et seq. (and, in particular, Rule 400-7-2 and Rule 400-7-1) of the State Oil and Gas Board of Alabama Administrative Code.

**BOARD ACTION:** Granted 2-11-10.

ORDER NO. 2010-7

19. DOCKET NO. 2-9-10-01A

Amended petition by COLUMBIA PETROLEUM, LLC, a Mississippi limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an order force pooling, with the imposition of a risk compensation fee, all tracts and interests in hydrocarbons produced from the Smackover Formation in a well to be drilled on a proposed 160-acre drilling unit consisting of the South Half of the Southeast Quarter of Section 23, and the North Half of the Northeast Quarter of Section 26, all in Township 4 North, Range 12 East, Conecuh County, Alabama, as a productive extension of the Little Cedar Creek Field.

This petition is filed as a companion petition to the petition bearing Docket No. 2-9-10-02 requesting the approval of a 160-acre drilling unit as a productive extension of the Little Cedar Creek Field.

**BOARD ACTION:** Continued 2-11-10.

20. DOCKET NO. 2-9-10-02A

Amended petition by COLUMBIA PETROLEUM, LLC, a Mississippi limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an order approving a 160-acre drilling unit for the proposed Sanders 23-16 Well consisting of the South Half of the Southeast Quarter of Section 23, and the North Half of the Northeast Quarter of Section 26, all in Township 4 North, Range 12 East, Conecuh County, Alabama, as a productive extension of the Little Cedar Creek Field, in accordance with Rule 3(a) of the Special Field Rules for said field.

This petition is filed as a companion petition to the petition bearing Docket No. 2-9-10-01 requesting the force pooling, with the imposition of a risk compensation fee, of all tracts and interests in hydrocarbons produced from the Smackover Formation in the proposed Sanders 23-16 Well.

**BOARD ACTION:** Continued 2-11-10.

21. DOCKET NO. 2-9-10-03B

Amended petition by CARRIZO OIL & GAS, INC., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an Order approving a 160-acre drilling unit for the proposed Black Stone-Indigo 10-10 No. 1 Well to consist of the Southwest Quarter of the Northeast Quarter, the Southeast Quarter of the Northwest Quarter, the Northeast Quarter of the Southwest Quarter and the Northwest Quarter of the Southeast Quarter of Section 10, Township 3 North, Range 6 East, Escambia County, Alabama. The Northwest Quarter of the Southeast Quarter of said Section 10 and the surface and bottom hole location of the proposed Well lie in the Chitterling Creek Field and the proposed drilling unit is an exception to Rule 3 (a) of the Special Field Rules for said Field which requires that wells in said field be located on units consisting of a governmental quarter section containing approximately 160 contiguous acres.

**BOARD ACTION:** Granted 2-11-10.

ORDER NO. 2010-8

22. DOCKET NO. 2-9-10-04

Petition by VENTURE OIL & GAS, INC., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an order force pooling, without the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced from a wildcat well to be drilled on a 160-acre drilling unit consisting of the Northeast Quarter of Section 1, Township 2 North, Range 5 East, Escambia County, Alabama.

This Petition is in accordance of Section 9-17-13, Code of Alabama, (1975), as amended, and Rule 400-7-2-.01 of State Oil and Gas Board of Alabama Administrative Code.

**BOARD ACTION:** Granted 2-11-10.

ORDER NO. 2010-9

23. DOCKET NO. 2-9-10-05A

Amended petition by VENTURE OIL & GAS, INC., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an order approving a 160-acre drilling unit for the proposed Fountain Farm 2-2 No. 1 Well consisting of the North Half of the Northeast Quarter of Section 2, Township 2 North, Range 6 East and the South Half of the Southeast Quarter of

Section 35, Township 3 North, Range 6 East, Escambia County, Alabama to be drilled as a wildcat well. The proposed drilling unit is an exception to Rule 400-1-2-.02(2)(b) of the State Oil and Gas Board of Alabama Administrative Code, which requires that wells be located on units consisting of a governmental quarter section containing approximately 160 contiguous acres.

This Petition is filed as a companion to a Petition bearing Docket No. 2-9-10-06 requesting the Board for approval of an exceptional location for said well.

**BOARD ACTION:** Granted 2-11-10.

ORDER NO. 2010-10

24. DOCKET NO. 2-9-10-06A

Amended petition by VENTURE OIL & GAS, INC., a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama to enter an order approving an exceptional location for the proposed Fountain Farm 2-2 No. 1 Well to be drilled at a location 392 feet from the West line and 1117 feet from the South line of a proposed 160-acre drilling unit consisting of the North Half of the Northeast Quarter of Section 2, Township 2 North, Range 6 East and the South Half of the Southeast Quarter of Section 35, Township 3 North, Range 6 East, Escambia County, Alabama to be drilled as a wildcat well in said Escambia County, Alabama. Said location is an exception to Rule 400-1-2-.02(2)(b) of the State Oil and Gas Board of Alabama Administrative Code which requires that such a well be located 660 feet from any exterior boundary of the drilling unit. Section 9-17-12(c) of the Code of Alabama (1975) authorizes the granting of exceptional locations for the drilling of wells in Alabama.

This Petition is filed as a companion to a Petition bearing Docket No. 2-9-10-05 requesting the Board for approval of an exceptional 160-acre drilling unit for said well.

**BOARD ACTION:** Granted 2-11-10.

ORDER NO. 2010-11

25. DOCKET NO. 2-9-10-07

Petition by ESCAMBIA OPERATING CO., LLC, a foreign limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to review the amount of surety required for wells and facilities operated by Petitioner in Choctaw and Escambia Counties, Alabama, as ordered by the Board in Order No. 2008-179 issued on December 11, 2008.

**BOARD ACTION:** Granted 2-11-10.

ORDER NO. 2010-12

26. DOCKET NO. 2-9-10-08

Petition by BLACK WARRIOR METHANE CORP., an Alabama corporation, requesting the State Oil and Gas Board to enter an order force pooling, without the imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced in the Westervelt 17-02-571 Well to be drilled on a 40-acre drilling unit consisting of the Northwest Quarter of the Northeast Quarter of Section 17, Township 20 South, Range 8 West, Tuscaloosa County, Alabama, in the Brookwood Coal Degasification Field.

This Petition is in accordance with Section 9-17-13, Code of Alabama (1975), as amended, and Rule 400-7-2-.01 of the State Oil and Gas Board of Alabama Administrative Code.

**BOARD ACTION:** Granted 2-11-10.

ORDER NO. 2010-13

27. DOCKET NO. 2-9-10-09A

Amended petition by EXXON MOBIL CORPORATION, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status for the following offshore well located in Mobile County, Alabama, in the South Pelican Island Field, in accordance with Rule 400-2-4-.14 (1) of the State Oil and Gas Board of Alabama Administrative Code:

PERMIT NO.  
11293-OS-68-B

WELL NAME  
State Lease 536 #4 Well.

Petitioner requests the Board to grant a one year extension of the temporarily abandoned status because said well has future utility and should not be plugged.

**BOARD ACTION:** Granted 2-11-10.

ORDER NO. 2010-14

28. DOCKET NO. 2-9-10-10

Petition by EXXON MOBIL CORPORATION, acting for the operator, Mobil Oil Exploration & Producing Southeast Inc., a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status for the following offshore well in Mobile County, Alabama, in the Aloe Bay Field, in accordance with Rule 400-2-4-.14(1) of the State Oil and Gas Board of Alabama Administrative Code:

PERMIT NO.  
12604-OS-90-B

WELL NAME  
S/L 701 #2

Petitioner requests that the Board grant a one year extension of the temporarily abandoned status of the referenced well because it has future utility and should not be plugged.

**BOARD ACTION:** Granted 2-11-10.  
ORDER NO. 2010-15

29. DOCKET NO. 2-9-10-11

Petition by EXXON MOBIL CORPORATION, a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status for the following offshore well located in Baldwin County, Alabama, in the North Central Gulf Field-Mobile Area, in accordance with Rule 400-2-4-.14 (1) of the State Oil and Gas Board of Alabama Administrative Code:

PERMIT NO.  
9985-OS-51-B

WELL NAME  
State Lease 539 #1 Well

Petitioner requests that the Board grant a one year extension of the temporarily abandoned status of the referenced well. This well is an integral part of a production platform and has been plugged to the extent possible making permanent plugging and abandonment impractical at this time, and, as such this well has future utility.

**BOARD ACTION:** Granted 2-11-10.  
ORDER NO. 2010-16

30. DOCKET NO. 2-9-10-12A

Amended petition by EXXON MOBIL CORPORATION, a foreign corporation, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the shut-in status of the following offshore wells in Mobile County, Alabama, in the Northwest Gulf Field-Mobile Area, in accordance with Rule 400-2-4-.14(2) of the State Oil and Gas Board of Alabama Administrative Code:

PERMIT NO.  
12155-OS-85-B  
11009-OS-65-B

WELL NAME  
S/L 537 Block 112 #4  
State Lease 536 #3

Petitioner requests that the Board grant a one year extension of the shut-in status of the referenced wells because said wells are capable of producing and should not be plugged.

Petitioner plans to plug and abandon the following well in 2010, and therefore requests an extension of the shut-in status of the well until it is plugged and abandoned:

PERMIT NO.  
10121-OS-53

WELL NAME  
State Lease 537 #2.

**BOARD ACTION:** Granted 2-11-10.  
ORDER NO. 2010-17

31. DOCKET NO. 2-9-10-13A

Amended petition by EXXON MOBIL CORPORATION, acting for the operator, Mobil Oil Exploration & Producing Southeast Inc., a foreign corporation authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order extending the shut-in status and temporarily abandoned status of the following offshore wells located in Baldwin and Mobile Counties, Alabama, in the Lower Mobile Bay-Mary Ann Field, in accordance with Rule 400-2-4-.14 (1) and (2) of the State Oil and Gas Board of Alabama Administrative Code:

<u>PERMIT NO.</u>	<u>WELL NAME</u>	<u>STATUS</u>
3135-OS-6-B	State Lease 349 #2	Shut-in
2543-OS-3-B	State Lease 347 #1	Temporarily abandoned
3614-OS-14	State Lease 347 #2	Temporarily abandoned.

Petitioner requests that the Board grant a one year extension of the shut-in status for the State Lease 349 #2 Well because said well is capable of producing and should not be plugged. Petition also requests that the Board grant a one year extension of the temporarily abandoned status of the State Lease 347 #1 and State Lease 347 #2 Wells because said wells have future utility and should not be plugged.

Petitioner plans to plug and abandon the following well in 2010, and therefore requests an extension of the shut-in status of the well until it is plugged and abandoned:

<u>PERMIT NO.</u>	<u>WELL NAME</u>	<u>STATUS</u>
10557-OS-59-B1	Alabama State Lease 350 (Tract 95) Well #5 S/T#1	Shut-in.

**BOARD ACTION:** Granted 2-11-10.  
**ORDER NO.** 2010-18

32. **DOCKET NO.** 2-9-10-14A

Amended petition by LAND AND NATURAL RESOURCE DEVELOPMENT, INC., an Alabama corporation, requesting the State Oil and Gas Board to enter an order establishing a new gas field in Pickens County, Alabama, to be named the Elmore Creek Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field, as underlain by the Lewis Sand Gas Pool shall consist of the West Half of Section 5, Township 19 South, Range 13 West, Pickens County, Alabama.

The Lewis Sand Gas Pool should be defined as that interval of the Lewis Sand productive of hydrocarbons between 5,216 feet and 5,232 feet, as indicated on the Dual Induction Log of the Irvin 5-6 #1 Well, Permit No. 11596-A, located in the West Half of Section 5, Township 19 South, Range 13 West, Pickens County, Alabama. Petitioner is requesting well spacing of a governmental half section containing approximately 320 surface acres, and is also requesting the establishment of allowables for said field.

Petitioner is also requesting that the 320-acre unit consisting of the West Half of Section 5, Township 19 South, Range 13 West, Pickens County, Alabama, be approved as the permanent production unit for the Irvin 5-6 #1 Well.

**BOARD ACTION:** Granted 2-11-10.  
**ORDER NO.** 2010-19

33. **DOCKET NO.** 2-9-10-15

Petition by JABSCO OIL OPERATING, LLC, an Alabama limited liability company, requesting the State Oil and Gas Board to enter an order establishing a new shale gas field to be known as the Gentry Creek Field, or by such other name as the Board deems appropriate, and to adopt Special Field Rules therefor. The proposed field, as underlain by the Floyd Shale Gas Pool, consists of the East Half of Section 29, Township 17 South, Range 15 West, Lamar County, Alabama.

Petitioner drilled and completed the Burns 29-9 #1 Well, Permit No. 14303-BH, as the discovery well in the proposed Floyd Shale Gas Pool. Said well was drilled as a horizontal well and, as such, did not penetrate the entire interval of the Floyd Shale. Therefore, the Floyd Shale Gas Pool should be defined as that interval of the Floyd Shale productive of hydrocarbons between 4,700 feet and 4,865 feet as indicated on the Dual Induction Focused logs of the nearby plugged and abandoned Herron 29-1 #1 Well, Permit No. 3468, including those strata productive of hydrocarbons which can be correlated therewith, and all zones in communication therewith, and productive extensions thereof. Said pool constitutes a separate and distinct shale gas producing pool in said field, separate and distinct from any other producing pool in said field.

The presently known characteristics of the Floyd Shale Gas Pool in said proposed field, as above defined, and the technical, economic, and environmental considerations are such that Petitioner is requesting the establishment of Special Field Rules providing for production units consisting of 320-acre governmental half sections and avers that said Special Field Rules are in the best interest of prudent development and oil and gas conservation, will permit orderly development of the Floyd Shale Gas Pool, avoid the drilling of unnecessary wells, protect correlative rights, and prevent waste.

Petitioner is also requesting that production allowables be established, and that the 320-acre drilling unit for the Burns 29-9 #1 Well consisting of the East Half of Section 29, Township 17 South, Range 15 West, Lamar County, Alabama, be established as the permanent production unit for said well.

**BOARD ACTION:** Continued 2-11-10.

34. **DOCKET NO.** 2-9-10-16

Petition by DENBURY ONSHORE, LLC, a foreign limited liability company, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board of Alabama, pursuant to Rule 400-1-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code, to enter an order approving the temporarily abandoned status and pursuant to Rule 400-4-2-.01(5) of the State Oil and Gas Board of Alabama Administrative Code to enter an order approving the extension of the Class II injection permits with the approvals applying to certain wells located in the Citronelle Field, Mobile County, Alabama, in the following areas for a period of one (1) year:



Citronelle Unit

Township 2 North, Range 3 West  
Sections 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, 36

Township 2 North, Range 2 West  
Sections 17, 18, 19, 20, 29, 30, 31

Township 1 North, Range 3 West  
Sections 1, 2, 3, 10, 11, 12, 13, 14

Township 1 North, Range 2 West  
Sections 5, 6, 7, 8, 9, 16, 17, 18

Southeast Citronelle Unit

Township 1 North, Range 2 West  
Sections 4, 5, 8, 9, 10

Township 2 North, Range 2 West  
Sections 32 and 33

East Citronelle Unit

Township 1 North, Range 2 West  
Section 6

Township 2 North, Range 2 West  
Sections 29, 31, 32

**BOARD ACTION:** Continued 2-11-10 with the stipulation that the temporarily abandoned status for the wells be extended to the next regularly scheduled meeting of the Board.

35. DOCKET NO. 2-9-10-17

Petition by BLACK WARRIOR METHANE CORP., an Alabama corporation, requesting the State Oil and Gas Board, pursuant to Rule 400-3-4-.17(1) of the State Oil and Gas Board of Alabama Administrative Code, to enter an order extending the temporarily abandoned status for certain wells located in Tuscaloosa County, Alabama, in the Brookwood Coal Degasification Field, in the following areas, for a period of one (1) year:

**Township 19 South, Range 7 West, Tuscaloosa County**

Sections 20, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35 and 36

**Township 19 South, Range 8 West, Tuscaloosa County**

Sections 15, 21, 23, 25, 26, 27, 28, 32, 33, 34, and 36

**Township 20 South, Range 6 West, Tuscaloosa County**

Sections 6 and 7

**Township 20 South, Range 7 West, Tuscaloosa County**

Sections 1, 3, 4, 7, 9, 10, 11, 12, 13, 15, 16, 17, 18, 19, 21, 22, 23, 26, 27, 28, 29 and 33

**Township 20 South, Range 8 West, Tuscaloosa County**

Sections 1, 2, 3, 4, 5, 10, 12, 13, 14, 15, 16, 23, 24 and 25

Petitioner requests that the Board grant a one year extension of the temporarily abandoned status of the wells in the aforementioned Sections because said wells have future utility and should not be plugged.

**BOARD ACTION:** Continued 2-11-10 with the stipulation that the temporarily abandoned status for the wells be extended to the next regularly scheduled meeting of the Board.

36. DOCKET NO. 2-9-10-18A

Amended petition by SAGA PETROLEUM LIMITED LIABILITY COMPANY OF COLORADO, a foreign limited partnership, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order establishing a new oil field in Pickens County, Alabama, to be named the Burdine Creek Oil Field, or such other name as the Board deems proper, and to adopt Special Field Rules therefor. The proposed field, as underlain by the Pottsville A and Pottsville B Sand Oil Pools shall consist of the South Half of the Northeast Quarter of the Southwest Quarter and the North Half of the Southeast Quarter of the Southwest Quarter of Section 35, Township 18 South, Range 16 West, Pickens County, Alabama.

The Pottsville A Sand Oil Pool in the Burdine Creek Oil Field should be defined as those strata productive of hydrocarbons in the interval between 5,190 feet and 5,232 feet, as indicated on the Dual Induction Log of the Winters 35-11-2 Well, Permit No. 15872, located on a 40-acre unit consisting of the South Half of the Northeast Quarter of the Southwest Quarter and the North Half of the Southeast Quarter of the Southwest Quarter of said Section 35, Pickens County, Alabama, and the Pottsville B Sand Oil Pool in the Burdine Creek Oil Field should be defined as those strata productive of hydrocarbons in the interval between 4,760 feet and 4,768 feet, and between 4,800 feet and 4,808 feet, as indicated on the Dual Induction Log of said Winters 35-11-2 Well.

Petitioner is requesting well spacing of 40 contiguous surface acres, and is also requesting the establishment of allowables for each well in said field.

Petitioner is also requesting that the above-described 40-acre unit be approved as the permanent production unit for the Winters 35-11-2 Well.

**BOARD ACTION:** Granted 2-11-10.

ORDER NO. 2010-20

37. DOCKET NO. 2-9-10-19A

Amended petition by SKLAR EXPLORATION COMPANY L.L.C. ("Petitioner"), a Louisiana limited liability company authorized to do and doing business in the State of Alabama, requesting that the State Oil and Gas Board of Alabama (the "Board") enter an order approving an exceptional bottom hole location for the Craft-Ralls 33-7 No. 1 well, Permit No. 16115, drilled as a productive extension of the Little Cedar Creek Field on a 160-acre unit consisting of the Northeast Quarter of Section 33, Township 5 North, Range 13 East, Conecuh County, Alabama. Petitioner requests approval for a bottom hole location that is located no closer than 560 feet from the South line and 610 feet from the West line of the unit. Said bottom hole location is an exception to the Special Field Rules for said Field which requires a well to be located at least 660 feet from every exterior boundary of the drilling unit. This petition is filed pursuant to Ala. Code Sections 9-17-1, et seq. (and, in particular, Section 9-17-12, as amended) and Rules 400-1, et seq. (and, in particular, Rule 400-7-1-.04) of the State Oil and Gas Board of Alabama Administrative Code.

**BOARD ACTION:** Continued 2-11-10.

38. DOCKET NO. 2-9-10-20

Petition by ENERGEN RESOURCES CORPORATION, an Alabama corporation, requesting the State Oil and Gas Board to enter an order extending the temporarily abandoned status of the Williams 29-12-101 Well, Permit No. 14313, located on a 40-acre wildcat drilling unit consisting of the Northwest Quarter of the Southwest Quarter of Section 29, Township 14 South, Range 3 East, St. Clair County, Alabama, in accordance with Rule 400-1-4-.17 (1) of the State Oil and Gas Board of Alabama Administrative Code.

Said well was previously granted temporarily abandoned status and Petitioner requests that the Board grant a one year extension of said status because said well has future utility and should not be plugged.

**BOARD ACTION:** Continued 2-11-10 with the stipulation that the temporarily abandoned status for the well be extended to the next regularly scheduled meeting of the Board.

39. DOCKET NO. 2-9-10-21

Petition by HILLWOOD ENERGY ALABAMA, L.P., a foreign limited partnership, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving a 160-acre wildcat drilling unit consisting of the Northwest Quarter of Section 9, Township 19 North, Range 2 East, Greene County, Alabama, for the drilling of the proposed Tate 9-4 No. 1 Well at a surface location in the Southeast Quarter of Section 5, Township 19 North, Range 2 East, 240 feet from the East line and 240 feet from the South line of Section 5. Following the drilling and evaluation of a 8,000 foot vertical well, Petitioner proposes to drill a horizontal lateral well from the vertical well approximately 2,800 feet in length in a northwest to southeast direction such that the proposed borehole of the horizontal well will have a point of entry within the Paleozoic shales no closer than 330 feet from the West line and 330 feet from the North line of Section 9, and will have a point of ending within the Paleozoic shales no closer than 330 feet from the East line and 330 feet from the South line of the proposed unit, in accordance with Rule 400-1-2-.02(2)(b) of the State Oil and Gas Board of Alabama Administrative Code which provides that a well may be drilled on a drilling unit consisting of a governmental quarter section containing approximately 160 acres.

This petition is filed as a companion to petitions bearing Docket No. 2-9-10-22 requesting the Board to approve exceptional locations of the said well, and Docket No. 2-9-10-23 requesting the Board to force pool, without risk compensation penalty, all tracts and interests in the above referenced 160-acre wildcat drilling unit.

**BOARD ACTION:** Dismissed 2-11-10.

ORDER NO. 2010-21

40. DOCKET NO. 2-9-10-22

Petition by HILLWOOD ENERGY ALABAMA, L.P., a foreign limited partnership, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving exceptional locations for the proposed Tate 9-4 No. 1 Well to be drilled on a 160-acre wildcat drilling unit consisting of the Northwest Quarter of Section 9, Township 19 North, Range 2 East, Greene County, Alabama, at a surface location in the Southeast Quarter of Section 5, Township 19 North, Range 2 East, 240 feet from the East line and 240 feet from the South line of Section 5. Following the drilling and evaluation of a 8,000 foot vertical well, Petitioner proposes to drill a horizontal lateral well from the vertical well approximately 2,800 feet in length in a northwest to southeast direction such that the proposed borehole of the horizontal well will have a point of entry within the Paleozoic shales no closer than 330 feet from the West line and 330 feet from the North line of Section 9, and will have a point of ending within the Paleozoic shales no closer than 330 feet from the East line and 330 feet from the South line of the proposed unit, and as such is an exception to Rule 400-1-2-.02(2)(b) of the State Oil and Gas Board of Alabama Administrative Code which requires wells to be drilled at least 660 feet from every exterior boundary of the drilling unit.

This petition is filed as a companion to petitions bearing Docket No. 2-9-10-21 requesting the Board to approve the above referenced unit as a wildcat drilling unit, and Docket No. 2-9-10-23 requesting the Board to force pool, without risk compensation penalty, all tracts and interests in the above referenced 160-acre wildcat drilling unit.

**BOARD ACTION:** Dismissed 2-11-10.

ORDER NO. 2010-22

41. DOCKET NO. 2-9-10-23

Petition by HILLWOOD ENERGY ALABAMA, L.P., a foreign limited partnership, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order force pooling, without imposition of a risk compensation penalty, all tracts and interests in hydrocarbons produced in the proposed Tate 9-4 No. 1 Well to be drilled on a 160-acre wildcat drilling unit, consisting of the Northwest Quarter of Section 9, Township 19 North, Range 2 East, Greene County, Alabama, at a surface location in the Southeast Quarter of Section 5, Township 19 North, Range 2 East, 240 feet from the East line and 240 feet from the South line of Section 5. Following the drilling and evaluation of a 8,000 foot vertical well, Petitioner proposes to drill a horizontal lateral well from the vertical well approximately 2,800 feet in length in a northwest to southeast direction such that the proposed borehole of the horizontal well will have a point of entry within the Paleozoic shales no closer than 330 feet from the West line and 330 feet from the North line of Section 9, and will have a point of ending within the Paleozoic shales no closer than 330 feet from the East line and 330 feet from the South line of the proposed unit.

This petition is in accordance with Section 9-17-13, Code of Alabama (1975) as amended, and Rule 400-7-2-.01 of the State Oil and Gas Board of Alabama Administrative Code.

This petition is filed as a companion to petitions bearing Docket No. 2-9-10-21 requesting the Board to approve the above referenced unit as a wildcat drilling unit and Docket No. 2-9-10-22 requesting the Board to approve exceptional locations of the said well.

**BOARD ACTION:** Dismissed 2-11-10.

ORDER NO. 2010-23

42. DOCKET NO. 2-9-10-24

Petition by HILLWOOD ENERGY ALABAMA, L.P., a foreign limited partnership, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving a 144-acre wildcat drilling unit consisting of the Southeast Quarter of Section 19, Township 20 North, Range 3 East, Greene County, Alabama, for the drilling of the proposed Caldwell 19-16 No. 1 Well at a surface location in the Northwest Quarter of Section 29, Township 20 North, Range 3 East, 240 feet from the West line and 240 feet from the North line of Section 29. Following the drilling and evaluation of a 10,500 foot vertical well, Petitioner proposes to drill a horizontal lateral well from the vertical well approximately 2,614 feet in length in a southeast to northwest direction such that the proposed borehole of the horizontal well will have a point of entry within the Paleozoic shales no closer than 330 feet from the East line and 330 feet from the South line of Section 19, and will have a point of ending within the Paleozoic shales no closer than 330 feet from the West line and 330 feet from the North line of the proposed unit, in accordance with Rule 400-1-2-.02(2) (b) of the State Oil and Gas Board of Alabama Administrative Code which provides that a well may be drilled on a drilling unit consisting of a governmental quarter section containing approximately 160 acres.

This petition is filed as a companion to petition bearing Docket No. 2-9-10-25 requesting the Board to approve exceptional locations of the said well.

**BOARD ACTION:** Dismissed 2-11-10.

ORDER NO. 2010-24

43. DOCKET NO. 2-9-10-25

Petition by HILLWOOD ENERGY ALABAMA, L.P., a foreign limited partnership, authorized to do and doing business in the State of Alabama, requesting the State Oil and Gas Board to enter an order approving exceptional locations for the proposed Caldwell 19-16 No. 1 Well to be drilled on a 144-acre wildcat drilling unit consisting of the Southeast Quarter of Section 19, Township 20 North, Range 3 East, Greene County, Alabama, at a surface location in the Northwest Quarter of Section 29, Township 20 North, Range 3 East, 240 feet from the West line and 240 feet from the North line of Section 29. Following the drilling and evaluation of a 10,500 foot vertical well, Petitioner proposes to drill a horizontal lateral well from the

vertical well approximately 2,614 feet in length in a southeast to northwest direction such that the proposed borehole of the horizontal well will have a point of entry within the Paleozoic shales no closer than 330 feet from the East line and 330 feet from South line of Section 19, and will have a point of ending within the Paleozoic shales no closer than 330 feet from the West line and 330 feet from the North line of the proposed unit, and as such is an exception to Rule 400-1-2-.02(2)(b) of the State Oil and Gas Board of Alabama Administrative Code which requires wells to be drilled at least 660 feet from every exterior boundary of the drilling unit.

This petition is filed as a companion to petition bearing Docket No. 2-9-10-24 requesting the Board to approve the above referenced unit as a wildcat drilling unit.

**BOARD ACTION:** Dismissed 2-11-10.

ORDER NO. 2010-25

44. DOCKET NO. 7-23-09-12

Continued MOTION BY THE STATE OIL AND GAS BOARD for Operator Holland Operating Company, Inc., to show cause why the wells located in the Moundville Coal Degassification Field, Hale County, Alabama listed hereinbelow should not be ordered plugged and abandoned in accordance with Rule 400-3-4-.14 of the State Oil and Gas Board of Alabama Administrative Code relating to Plugging and Abandonment of Wells. Further, as a part of this Motion by the Board, the operator shall show cause why equipment, pipelines, and other facilities associated with these wells, including but not limited to natural gas pipelines, compressor stations, "tin" horns, pipeline risers, and water gathering lines should not be removed, cleaned up, or dismantled and all sites restored in accordance with the Board's rules and regulations.

<u>Permit No.</u>	<u>Well Name</u>	<u>Location</u>
14811-C	Tubbs 10-5	Sec. 10, Township 23 North, Range 5 East
14812-C	Stephenson 10-4	Sec. 10, Township 23 North, Range 5 East
14813-C	Tubbs 9-8-1	Sec. 9, Township 23 North, Range 5 East
14814-C	Tubbs 9-1 No. 2	Sec. 9, Township 23 North, Range 5 East
14887-C	Tubbs 9-1 No. 3	Sec. 9, Township 23 North, Range 5 East

The Board may, as a part of this Motion, order that surety holding surety bonds on these wells pay the proceeds of the well bonds to the Board so that the Board's staff may plug and abandon the wells and restore the well sites and dismantle, remove and restore all associated sites.

Further, as a part of this Motion, the Board may order that a portion of the monies in the Alabama Coalbed Methane Gas Plugging Fund be collected by the Board pursuant to Section 9-17-133 et. seq. of the Code of Alabama (1975).

Failure of the operator to comply with the Board's rules, regulations, and orders may result in the Board issuing fines or taking other sanctions against operator, Holland Operating Company, Inc.

**BOARD ACTION:** Continued 2-11-10.

45. DOCKET NO. 12-8-09-09

Continued MOTION BY THE STATE OIL AND GAS BOARD OF ALABAMA to amend the State Oil and Gas Board of Alabama Administrative Code to make the Board's regulations consistent with recent amendments to the Alabama Oil and Gas Laws in Act. No. 2008-450 addressing drilling and drainage and production units. Under this Motion, the following regulations of the Board are proposed to be amended:

**Onshore Lands Operations**—Rule 400-1-1-.01, Applicability; Rule 400-1-1-.05, Definitions; 400-1-2-.01, Well Permit; Rule 400-1-2-.02, Spacing of Wells; Rule 400-1-5-.09, Permissible Tolerance in Production Volumes Allowed for Oil Wells; Rule 400-1-5-.10, Permissible Tolerance in Production Volumes Allowed for Gas Wells.

**Submerged Offshore Lands Operations**—Rule 400-2-1-.01, Applicability; Rule 400-2-1-.05, Definitions; Rule 400-2-2-.01, Well Permit; Rule 400-2-2-.02, Spacing of Wells; Rule 400-2-5-.09, Permissible Tolerance in Production Volumes Allowed for Oil Wells; Rule 400-2-5-.10, Permissible Tolerance in Production Volumes Allowed for Gas Wells.

**Coalbed Methane Gas Operations**—Rule 400-3-1-.05, Definitions; Rule 400-3-2-.01, Well Permit; Rule 400-3-2-.02, Spacing of Wells.

**Practice and Procedure**—Rule 400-7-1-.11, Notice.

**Forced Integration or Forced Pooling**—Rule 400-7-2-.01, Forced Integration or Forced Pooling.

The jurisdiction and authority of the Board are set forth in the Alabama Oil and Gas Conservation statutes, Sections 9-17-1, et seq. of the Code of Alabama (1975), as amended.

**BOARD ACTION:** Continued 2-11-10.